



## The Secretary of Energy

Washington, DC 20585

October 28, 2021

The Honorable Cathy McMorris Rodgers  
Ranking Member  
Committee on Energy and Commerce  
U.S. House of Representatives  
Washington, DC 20515

Dear Ranking Member McMorris Rodgers:

Thank you for your October 14 letter regarding actions the Administration is taking to ensure affordable and reliable energy for all Americans – a top priority of this Administration and the Department of Energy. We are closely monitoring developments in the oil and natural gas markets.

The United States currently has a natural gas price of approximately \$6/MMBtu, while European and Asian markets are seeing prices of \$25/MMBtu to \$35/MMBtu. Even though we are in a better position than many other countries, the Department's Energy Information Administration (EIA) is predicting higher winter energy bills than last year at this time, when the pandemic had severely curtailed energy demand leading to record low prices for natural gas. The Administration understands that high energy bills can burden household budgets, especially in regions facing higher-than-average prices, and I am working with the President and my colleagues in the Cabinet to identify ways to help families and businesses this winter.

Similarly, in the oil market, the world's recovery from the COVID-19 pandemic is driving up oil prices for both crude and refined products. Crude oil production has not kept up with this increasing demand, and both crude and gasoline prices have increased. The Administration has engaged with other countries to push for greater competition in the global energy market, and the Federal Trade Commission is investigating illegal pricing practices in the domestic gasoline market so that Americans are protected at the pump.

The U.S. government does not manage production levels of natural gas, crude, or refined products. As you know, a significant portion of the world's oil supply is controlled by a small group of countries called OPEC+. This is precisely why the President and I believe that we need to invest in clean energy and reduce our dependence on foreign oil. Further, the Administration does have some emergency tools to address extreme problems with energy supply, and the Department's Office of Cybersecurity, Energy Security and Emergency Response is working across the Department, with other agencies, and with state and regional regulators to actively monitor regional markets and prepare contingency plans. We will be ready to act if the situation warrants it.

Further, the Federal Government can take action to protect families from high heating costs, and President Biden has and will continue to use those tools. For example, the President's American Rescue Plan included \$4.5 billion for the Low-Income Home Energy Assistance Program – on top of the annual budget for this program – which last year provided over five million homes with an average of \$439 to help with heating costs. The Administration stands ready to work directly with states to get energy assistance funds into the hands of families in need this winter.

Unfortunately, price spikes, supply problems, and reliability challenges are not new to the oil and gas industry. As we saw last winter in Texas, gas infrastructure failed to withstand extreme weather and left families freezing for days<sup>1</sup>. The President and the Administration are working to set the country on a path to reducing our reliance on forms of energy that leave Americans vulnerable to volatile prices and other risks. The current challenging market conditions further highlight the importance of fuel and energy diversity. Decreasing our reliance on price-volatile fossil fuels must be a priority. Investments in energy resources with no or low fuel cost like solar, wind, and nuclear, as well as investments in energy efficiency and electric vehicles will help us reduce our vulnerability to energy price shocks.

A recent analysis showed that achieving a grid with at least three-quarters clean power would help households save \$411 to \$566 annually on energy expenditures as compared to today.<sup>2</sup> Solar and wind energy are already cheaper than fossil fuels in many parts of the country, and they will continue to get cheaper as deployment expands. By the end of the decade, the Department of Energy is aiming to make solar the cheapest energy source on the planet, while also reducing the cost of long-duration energy storage by 90 percent, allowing wind and solar to serve as baseload, dispatchable power.

The International Energy Agency has reported that the decades ahead will feature challenges that today's global energy system cannot meet – and we must make investments in a more robust, reliable, and sustainable energy system. That means the investments in clean energy and energy efficiency offered in the President's full Build Back Better Agenda are more important than ever. The faster we deploy a wide range of clean energy technologies and sustainability solutions, the better for our energy security, our economy, and the budgets of American families. While the Department of Energy has put billions behind a wide range of clean energy solutions this year, we need Congressional action on both the bipartisan Infrastructure Investment and Jobs Act and the Build Back Better Act to accelerate and scale these efforts. I welcome your partnership.

Sincerely,

A handwritten signature in black ink, appearing to read 'J. Granholm', with a stylized, cursive script.

Jennifer Granholm

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<sup>1</sup> [FERC, NERC Staff Review 2021 Winter Freeze, Recommend Standards Improvements | Federal Energy Regulatory Commission](#)

<sup>2</sup> [Pathways to Paris, A Policy Assessment of the 2030 US Climate Target | Rhodium Group](#)